

**ABSTRACT**

A loyalty reward point system that utilizes the pre-existing infrastructure of network such as a credit card network. A user makes a purchase at a merchant using a token such as a credit card. As part of the purchase transaction, the user is awarded reward points from the merchant based on the purchase, which are stored in an account associated with the merchant and the user by the issuing bank. The reward account is maintained on the issuing bank server on behalf of the merchant and the user, and the number of reward points in the user's account for that merchant is increased accordingly. The user may redeem the reward points earned from the transaction with the merchant at a later time, or may redeem the points with another merchant in the same marketing cluster, or may aggregate those reward points with those of other merchants into a reward point exchange account, and then redeem the aggregated reward points for goods or services from any approved merchant on the network, depending on the configuration of the system.